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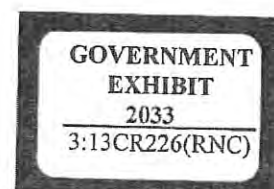
From: Dan Carpenter GMC <FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=DGMC>
Sent: Monday, March 12, 2007 7:21 PM
To: Don Trudeau; 'RobinsonEsq@aol.com'; Ed Waesche; Ed Waesche; Bill Hutchison; 'Siewert, Derek'
Cc: Dan GMC; Joe Castagno; Amanda Rossi; Molly Carpenter; Wayne Bursey; Kathy Kehoe; Missy Vallerie; Sheila O'Grady
Subject: FW: GMC Memo
Attachments: GMC Memo.pdf

Grist Mill Plaza

100 Grist Mill Road

Simsbury, CT 06070

(860) 408-7000 ext.227





GRIST MILL CAPITAL LLC

March 12, 2007

MEMORANDUM

From: Daniel E. Carpenter
Chairman
Grist Mill Capital, LLC

To All:

Now that we have completed our first few cases for the Charter Oak Trust (COT), Avon Insurance Trust (AVON), and the American Charitable Endowment Trust (ACE), I believe it is time to put in place certain underwriting and compensation issues:

1. We, meaning Grist Mill Capital, LLC and its affiliates (GMC), have done a tremendous job bringing together the Funders, the Insurance Carriers, and the Trust Technology to succeed and thrive while our erstwhile competitors are falling by the wayside.
2. We currently have the only deal where no collateral, Letter of Credit, or cash funding is required to be put up by the Insured Donor.
3. Other than one relationship Don Trudeau approved, from now on Ed Waesche or Rich Belding will be on our applications for at least 40% for TPG Group, Inc. The other brokers will split the remaining 60% as they decide. I know this will cause some problems with Hutch and Derek, but it makes no sense for Benistar and GMC to do all of the setup work, all of the admin work, and to take all of the risk to get only 20% of the commission pie. From now on it is 40% to the House or no deal. Neither Don nor Jack will be in charge of compensation deals. All deals must be approved through Dan and GMC in Simsbury.
4. All cases will be sent to Simsbury, cleared through Simsbury, processed and underwritten through Simsbury, and the policies delivered through Simsbury. I hope that is clear. There will be no Wayne Bursey stamp in Stamford, as the role of the Trustee and the Trust Protector is to protect the Trust.
5. Filling out the Informal Application is no substitute for the Agent filling out the Insurance application completely with the proposed insured and providing all necessary information for the case to be underwritten and enrolled.

GRIST MILL PLAZA, 100 GRIST MILL ROAD, SIMSBURY, CT 06070
TEL: 860-408-7000 FAX: 860-408-7015

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GRIST MILL CAPITAL LLC

6. The Broker has the responsibility of answering all questions on the applications as well as filling out the other forms and providing the information necessary for the enrollment documents.
7. All processing will be handled through Simsbury – including the use of Wayne and Dan stamps. Only bad things have happened when stamps are left in Stamford (Jack, for example, see Terry Moore case).
8. Furthermore, the Benistar staff in Simsbury is the best in the country and the only staff to have passed a SAS 70 Level II audit by PricewaterhouseCoopers. Sheila, Ed and Sam will inspect applications for completeness and make sure everything is signed and filled out before sending to Simsbury for approval, but that's it. No case approvals will be granted in Stamford.
9. Don is very busy with the many empires he has to run. All questions regarding the COT, AVON, or ACE should be directed to Dan in Simsbury, directly or through Wayne, Amanda or Joe Castagno.
10. GMC is both directly and indirectly on the hook for paying back the millions of dollars being borrowed. We will do no more "stupid" deals. We put this deal together, we are doing all the work, and we are taking all the risk. We will take 40% of the case and at least 6% of the back end Face of the policy plus an additional 3% if someone wants to leave the Trust to settle the case elsewhere. Obviously, with ACE no one ever leaves and after 6 years the entire amount reverts to the Funder's account.
11. We are open to talking about "special" situations, but we want everyone to know that we are looking for standard risks between the ages of 74-82.
12. We are not going to violate our rules to satisfy the friends of friends of friends in Stamford. If Bill Hutchison or Gordon Ogden or anyone else for that matter has a problem...have them call me directly. Do not bother Ed or Jack, they are very busy on new business hopefully.



GRIST MILL CAPITAL LLC

When everyone needs money they come calling on Benistar, which has to call on TPG or GMC or BPA, which in turn has to call on Carpenter Financial Group, which in turn has to call on me. Let me repeat this so everyone understands it...we have the only "no-collateral required" insurance funding program in the country. We have the trust technology and we have the carriers willing to approve policies and the money to fund the policies. We have done all the work, and we are taking all of the risk. We do not get paid until if and when the deal is completed satisfactorily 25-30 months from now. The brokers who took 60% of the case up front are long gone from the transaction and the risk. If something goes wrong they get the lion's share of the commission, and we are left with the debt, the litigation, and the spectre of impending legislation.

As most of you know, I am not a gambling man, but to even up the odds, I want to put my bet on the best admin team in the country, and that is the BASI team in Simsbury. If anyone has a problem with that let me know.

Sincerely,

A handwritten signature in dark ink, appearing to read "Dan", is written over a faint, larger signature that appears to be "Daniel E. Carpenter".

Daniel E. Carpenter
Chairman
Grist Mill Capital, LLC

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Exhibit 1